

AGREEMENT BETWEEN DEPARTMENT OF DEFENSE EMPLOYEE AND
NATIONSBANK OF DELAWARE, N.A.

IMPORTANT: BEFORE YOU SIGN THE INDIVIDUALLY BILLED CARD ACCOUNT SETUP/APPLICATION FORM, DEPARTMENT OF DEFENSE TRAVEL CARD PROGRAM, OR SIGN OR USE THE GOVERNMENT CARD, READ THE FOLLOWING TERMS AND CONDITIONS THOROUGHLY. PLEASE RETAIN THIS AGREEMENT FOR YOUR RECORDS.

1. DEFINITIONS. In this Agreement, the word "Agreement" means this document as modified by any amendment issued pursuant to Section 16. The word "we" "NationsBank" or "us" refers to NationsBank of Delaware, N.A., the issuer of the Card. The "GSA Contract" refers to the General Services Administration Contract No. GS-23F-98004. The word "Program" means the card program established pursuant to the GSA contract. "Agency/Organization" means the United States federal agency, bureau, division, office or other organizational entity participating in the Program that has requested/authorized NationsBank to open an account for you. The words "cardholder", "you" or "your" means the Agency/Organization employee whose name appears on the Card. The word "Government Card", "Card" or "Cards" means the card issued to you by us under the Program. "Account" means the account established by us in connection with the Government Card. "Cash Advance" is a cash advance obtained through use of the Account at any participating affiliated automated teller machine ("ATM") or any financial institution or other establishment authorized to process and grant you a cash advance.

2. ACCEPTANCE OF THE AGREEMENT. BY ACTIVATING, SIGNING OR USING THE CARD AND/OR THE ACCOUNT OR SIGNING THE INDIVIDUALLY BILLED CARD ACCOUNT SETUP/APPLICATION FORM, DEPARTMENT OF DEFENSE TRAVEL CARD PROGRAM, YOU AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, CUT THE CARD IN HALF AND RETURN THE PIECES TO NATIONSBANK.

3. PROMISE TO PAY; LIABILITY. All amounts charged to the Account including purchases, Cash Advances and fees will be called "Charges." You promise to pay for all Charges made by you or anyone you allow to use the Account until paid in full. You, as the Cardholder, are responsible for making payment to NationsBank. Official travel and travel-related expenses charged to the Card will be reimbursed by the Agency/Organization under the Agency's/Organization's expense reimbursement procedures applicable to you. You also agree to report your expenses promptly to the Agency/Organization in accordance with its expense reimbursement procedures. You are responsible for all

Charges made with the Card even if you let someone else use the Card. You must retrieve the Card from that person to avoid further liability.

4. TYPE OF ACCOUNT. Your Account is either a restricted or standard Account, as indicated by the credit limit shown on your card mailer. Restricted Accounts are Accounts with a credit limit of \$1250 or less. If your Account is a restricted Account, your Agency/Organization will designate the date(s) during which the Account may be used, based on your authorized travel status and you agree to use the Card only during the period designated by your Agency/Organization. Upon your Agency's/Organization's request, NationsBank may change your account from a standard Account to a restricted Account or from a restricted Account to a standard Account. If this occurs, you will be notified by your Agency/Organization.

5. DISCLOSURE OF ACCOUNT INFORMATION. In addition to routine uses under the Privacy Act, you authorize NationsBank to: (1) provide information about your Account to NationsBank's service providers administering your Account under the GSA Contract; (2) disclose all necessary Account information to outside attorneys representing NationsBank in connection with any legal or administrative proceeding involving your Account or NationsBank's actions under this Agreement; (3) provide all necessary Account information to NationsBank's auditors in the course of any audit; (4) disclose all necessary Account information to outside attorneys, collection agencies or credit bureaus if we refer all or part of the Account for collection in accordance with the GSA Contract and your Agency/Organization's task order and (5) disclose all necessary Account information to credit reporting agencies to obtain reports concerning your credit consistent with your Agency's/Organization's agreement with union officials, if applicable. You understand that past due Accounts as well as other Account information will be reported to your Agency/Organization. By signing the Individually Billed Card Account Setup/Application Form, Department of Defense Travel Card Program, you are providing your written consent to the disclosure of Account information as provided in this Section 5.

6. USE OF GOVERNMENT CARD. You agree to use the Card only for official travel and official travel related expenses away from your official station/duty station in accordance with your Agency/Organization policy. You agree not to use the Card for personal, family or household purposes. Charging privileges on the Card are provided by NationsBank pursuant to the GSA Contract and the task order of your Agency/Organization. No other person is permitted to use the Card issued to you for Charges or for any other reason.

7. CREDIT LIMITS. NationsBank may establish one or more credit limits for your Account ("Limits") and such Limits may be increased or decreased as directed by your

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Agency/Organization. Your initial aggregate Limit is shown on the folded mailer containing your Card and represents the sum of (i) your ATM Limit (where ATM usage is authorized); (ii) your retail Limit; and (iii) lodging/transportation Limit. Your retail Limit applies to official purchases at retail establishments. Your lodging/transportation Limit applies to lodging and transportation. Your ATM limit applies to Cash Advances at an ATM. You understand that your aggregate Limit is the maximum amount of credit that you can have outstanding on your Account at any time and that the Limit may be set or changed by your Agency/Organization. For standard Accounts the retail Limit is \$250.00 and the ATM Limit is \$500 per billing cycle. For restricted Accounts the retail Limit is \$50.00 and the ATM Limit is \$200 per billing cycle. If you make a credit request that would exceed the applicable limitation, NationsBank, at the direction of your Agency/Organization, can approve or deny the credit request.

8. OBTAINING CREDIT REPORTS. Unless on your Individually Billed Card Account Setup/Application Form, Department of Defense Travel Card Program, you either (i) instructed us not to obtain reports concerning your credit, or (ii) failed to expressly consent to the terms of this Agreement, you authorize NationsBank to obtain from credit bureaus and other credit reporting agencies reports concerning your credit consistent with your Agency/Organization's agreement with union officials (if applicable).

9. PAYMENT. We will send statements of all Charges to you. All payments are due by the due date specified on your statement ("Due Date"). You should notify us immediately of any change in your billing address by calling the number indicated in Section 17. Payments must be made in U.S. currency, in electronic form or with a money order payable in U.S. dollars, or with a draft or a check drawn on a bank in the U.S. and payable in U.S. dollars. If we decide to accept a payment made in some other form, payment will not be credited to your Account until your payment is converted into one of the forms just mentioned. We may accept late payments, partial payments or checks and money orders marked "payment in full" or with other restrictive endorsements without losing any rights under this Agreement or under the law.

10. SUSPENSION AND CANCELLATION. Suspension or cancellation does not affect the terms of this Agreement, including without limitation your obligation to pay the balance of your Account, until your obligation to NationsBank under this Agreement has been satisfied.

A. Suspension: NationsBank may suspend your Account and prohibit further Charges if (i) payment for any undisputed principal amount is not received within 61 calendar days from the closing date on the statement in which the unpaid Charge first appeared, or within the timeframe specified in the Agency/Organization task order, unless otherwise directed by the Agency/Organization Program Coordinator, or (ii) the

Agency/Organization or GSA requests the suspension. NationsBank will reinstate your suspended account upon full payment of the amount due unless otherwise directed by the Agency/Organization.

B. Cancellation by Cardholder: You may cancel the Card at any time by notifying NationsBank, cutting the Card in half and returning the parts to NationsBank.

C. Cancellation by NationsBank

(i). **Automatic Cancellation:** The Card and the Account will automatically be canceled upon (a) termination of your employment with the Agency/Organization regardless of the reason; (b) termination or expiration of the GSA Contract and/or Agency/Organization task order; (c) request of the Agency/Organization or GSA; (d) request of NationsBank with the permission of the Agency/Organization or (e) your filing for bankruptcy protection, if the Account or Account obligation is referenced in any documents filed in connection with the bankruptcy proceeding. Upon cancellation, you agree to return the Card immediately, cut in half, to NationsBank.

(ii). **Cancellation Due to Delinquency:** NationsBank may cancel your Account if (a) the Account has been suspended two times during a 12 month period for non-payment of undisputed principal amounts and is past due again; for purpose of this section 10.C.(ii).(a), "past due" means payment is not received within 45 calendar days from the closing date on the statement of Account in which the Charge first appeared; (b) the Account is 126 calendar days past due from the closing date on the statement of Account in which the unpaid Charge first appeared, or within the timeframe specified in the Agency/Organization task order, unless otherwise directed by the Agency/Organization Program Coordinator, or (c) the Agency/Organization or GSA requests the cancellation. NationsBank may reinstate a canceled Account upon full payment of the amount due and any late fee assessed. Account statements may not (at the option of NationsBank) be sent after an Account has been canceled.

11. ATM USAGE. If our Agency/Organization is participating in the NationsBank ATM Program for Government Cardholders, you will separately receive a Personal Identification Number ("PIN"). You may then obtain Cash Advances at an ATM when authorized in accordance with Agency/Organization procedures. For your ATM Limit, refer to Section 7 above.

12. NO WAIVER OF NATIONSBANK'S RIGHTS. All rights and remedies of NationsBank are cumulative and may be pursued singularly, successively or together, at the option of NationsBank. Except as expressly provided below in this Section 12, NationsBank's failure at any time to exercise any of its rights hereunder or any rights shall not constitute a waiver nor otherwise bar the exercise of any of these options or rights at a later date. NationsBank waives its right to suspend the Account for a particular Charge if suspension procedures are not initiated within 180 calendar days of the closing date on the statement of Account in which the Charge first appeared. NationsBank waives its right to cancel the

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Account for a particular Charge if cancellation procedures are not initiated within 180 calendar days of the closing date on the statement of Account in which the Charge first appeared.

You may confirm your notification by writing to
NationsBank
Security Department
P.O. Box 1350
Norfolk, VA 23501

13. TRAVELERS CHECKS. If your Agency/Organization is participating in the NationsBank Travelers Check program for Government cardholders, you may purchase travelers checks when authorized in accordance with your Agency/Organization procedures and a Travelers Check Fee of 1.5% of the total amount of the checks purchased will apply. If your Agency/Organization has negotiated a lower Travelers Check Fee, the lower amount will apply.

14. CHARGES. You agree to pay the following Charges unless your Agency/Organization has negotiated a lower rate or fee, in which case, you will pay the lower amount.

Return check fee. \$20.00 for any payment which is returned for any reason.

Cash Advance Fee. 1.9% of the amount of each Cash Advance.

Delinquency and Collection Charges. If NationsBank refers your Account to any attorney for collection, you will be responsible for attorney's fees, if any, not to exceed 25% of the Account balance plus all other costs of collection and court costs except where prohibited by law.

Late Fee. If your Account has been canceled, \$20.00 for any payment not received within 120 calendar days past the closing date on the statement of Account in which the Charge first appeared.

15. CONVERSION OF FOREIGN TRANSACTIONS. Charges made in a foreign currency will be converted into U.S. Dollars. The conversion rate used will be at least as favorable as an interbank rate or where required by law, an official rate. This rate shall be the one in existence at the time the transaction is processed.

16. CHANGE IN TERMS. NationsBank may, with the written consent of GSA and your Agency/Organization, change the terms of this Agreement upon 30-day written notice to you. You agree that the new terms provided in any such notice may apply both to your new transactions and to your Account balance on the date the change becomes effective. If you do not agree to a change in terms of this agreement, then prior to the effective date of the change, you must notify us, cut the card in half and return the pieces to us.

17. LOST OR STOLEN CARD/REPLACEMENT. If your Card is lost or stolen, or if you think another person may use your Account without your permission, you must notify NationsBank immediately by calling the number listed below.

Telephone Numbers:

Within United States 1-800-472-1424

Collect Calls for out of United States (757) 441-4124

If there is any unauthorized use of your Card or Account you agree to cooperate with NationsBank during its investigation, which will include your completion of a Cardholder Statement of Disputed Item. Should you need a replacement card, please call the same telephone number listed in this Section 17 for lost or stolen Cards.

18. LIMITATION OF DAMAGES. In no event shall NationsBank be liable to you for any consequential, special, indirect or punitive damages of any nature.

19. COLLECTION/TELEPHONE MONITORING. You agree that if you do not pay your Account, NationsBank or its collection agent may call you regarding the collection of your Account. You understand that the calls could be automatically dialed and a recorded message may be played. You agree such calls will not be "unsolicited" calls for purposes of local, state or federal law. You agree that we may monitor telephone calls between you and us to ensure the quality of the customer service we provide.

20. CHANGES TO NAME, ADDRESS OR EMPLOYMENT. You understand that NationsBank will send Account Statements, replacement or renewal Cards, or other notices at the address shown in its records. You will promptly notify NationsBank of any change in your name, address or employment.

21. NONTRANSFERABLE. Each Card is nontransferable.

22. SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of any other provision of this Agreement.

23. SUCCESSORS AND ASSIGNS. You agree that NationsBank may at any time assign or transfer to another person your Account, your Account balance, or this Agreement. The persons to whom NationsBank transfers or assigns your account, your Account balance, or this Agreement will have all of NationsBank's rights under this Agreement. You will not assign or transfer any of your rights or duties under this Agreement, and this Agreement is binding on your successors, heirs and legal representatives and upon anyone to whom you assign your assets or who succeeds to them.

24. GOVERNING LAW: This Agreement and your Account are subject to the GSA Contract and shall be governed by

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Delaware law and the laws of the United States. This Agreement is entered into in Delaware and all credit will be extended by NationsBank from Delaware.

PRIVACY ACT NOTICE:

In accordance with the Privacy Act (5 U.S.C. 552a), the following notice is provided: The information requested on the card application form is collected pursuant to Executive Order 9397 and chapter 57, title 5, United States Code, for the purposes of recording travel expenses incurred by the employee/member and to claim entitlements and allowances prescribed in applicable federal travel regulations. The purpose of the collection of this information is to provide Government agencies necessary information on the GSA travel card contract which provides travelers with charge cards for official travel and related expenses, attendant operational and control support, and management information reports for expense control. Routine uses which may be made of the collected information and other account information in the system or records entitled "Travel Charge Card Program GSA/GOVT-3" are as follows: (1) transfers to appropriate Federal, State, local, or foreign agencies when relevant to civil, criminal, administrative, or regulatory investigations, (2) pursuant to a request of another Federal agency in connection with hiring, retention, issuing a security clearance, reporting an employee investigation, clarifying a job, letter or contract or issuing a license, grant, or other benefit, (3) to a Member of Congress or to a Congressional Staff Member in response to an inquiry of the Congressional Office made at the request of the individual about whom the record is maintained, (4) to officials of labor organizations when necessary to their duties of exclusive representation, (5) to a Federal agency for accumulating reporting data and monitoring the system, (6) GSA contract travel agents assigned to agencies for billing of travel expenses, (7) listing, reports, and records to GSA by the contractor to conduct audits of carrier charges to the Government, and (8) any other use specified by GSA in the system of records entitled "Travel Charge Card Program GSA/GOVT-3," as published in the Federal Register periodically by GSA. The information requested is not mandatory. Failure to provide the information will nullify the application, and a charge card will not be issued to the employee/member.